

UNIVERSITAS EDUCATION, LLC V. NOVA GROUP, INC., CASE NO. 11-1590-LTS-HBP (S.D.N.Y.)

September 25, 2014 Declaration of Michael Barnett

Exhibit 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNIVERSITAS EDUCATION, LLC,

Plaintiff, Civil Action Nos.

vs. 11-1590-LTS-HBP

NOVA GROUP, INC., as 11-8726-LTS

Trustee, Sponsor and Fiduciary

of the CHARTER OAK TRUST

WELFARE BENEFIT PLAN,

Defendant.

DEPOSITION OF DONALD TRUDEAU

Wednesday, February 6, 2013

10:00 a.m.

Reported by:

Joan Ferrara

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February 6, 2013

10:00 a.m.

New York, New York

Deposition of DONALD TRUDEAU,
held at the offices of Loeb & Loeb, 345
Park Avenue, New York, New York, Pursuant
to Notice, before Joan Ferrara, a Notary
Public of the State of New York.

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2 A P P E A R A N C E S:

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4 LOEB & LOEB, LLP

5 Attorneys for Plaintiff

6 345 Park Avenue

7 New York, New York 10154

8 BY: PAULA COLBATH, ESQ.

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14 MOSKOWITZ & BOOK, LLP

15 Attorneys for Defendants

16 345 7th Avenue

17 New York, New York 10001

18 BY: AVRAHAM C. MOSKOWITZ, ESQ.

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IT IS HEREBY STIPULATED AND AGREED,
by and between the attorneys for the
respective parties herein, that filing
and sealing be and the same are hereby
waived.

IT IS FURTHER STIPULATED AND
AGREED that all objections, except as
to the form of the question, shall be
reserved to the time of the trial.

IT IS FURTHER STIPULATED AND
AGREED that the within deposition may
be sworn to and signed before any
officer authorized to administer an
oath, with the same force and effect as
if signed and sworn to before the
Court.

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2 D O N A L D T R U D E A U,

3 called as a witness, having been duly

4 sworn by a Notary Public, was examined

5 and testified as follows:

6 EXAMINATION BY

7 MS. COLBATH:

8 Q. Good morning, Mr. Trudeau.

9 A. Good morning.

10 Q. My name is Paula Colbath. I'm a
11 lawyer here with Loeb & Loeb and we
12 represent Universitas Education LLC in this
13 matter.

14 Could you state your full name
15 for the record.

16 A. Donald, D-O-N-A-L-D, J, Trudeau,
17 T-R-U-D-E-A-U.

18 Q. And could you state your business
19 address for the record.

20 A. 25 Seir Hill, two words, S-E-I-R,
21 H-I-L-L, Road, Norwalk, Connecticut 06850.

22 Q. And could you state your
23 residential address for the record.

24 A. 1061 King Street, Greenwich,
25 Connecticut 06831.

1 D. Trudeau

2 transaction just with Avon Capital, not
3 with Avon Insurance Trust.

4 So I'm not -- I guess I'm missing
5 something.

6 Q. Were the transactions between
7 Avon Capital, LLC and ASG and Moran
8 documented?

9 A. I believe so, yeah.

10 Q. Were you involved in the
11 documentation?

12 A. Yes.

13 Q. Okay.

14 And at the end of the day, after
15 these wire transfers got sent to Moran and
16 ASG, who owned the policies?

17 A. Well, Avon Capital has been
18 interest in the policies. It's an indirect
19 interest, but they own a portion of the
20 death benefits.

21 Q. Explain to me how the policies,
22 who owns the policies now, all direct and
23 indirect interest in them.

24 A. What ASG does is they are a
25 receiver for, like, I don't know, the SEC

1 D. Trudeau

2 and for other judicial. So they come in.

3 They take over policies through that

4 auspices --

5 Q. With all due respect, I'm going

6 to interrupt because your counsel wants to

7 leave at a certain point and you're telling

8 me about the business of ASG when I'm just

9 asking you a very simple question, who

10 owns, directly and indirectly, the policies

11 that were purchased with the money shown on

12 page 141?

13 A. So I don't know is I guess the

14 answer. At the time, and that's why I was

15 trying to give you a step-by-step answer,

16 but --

17 Q. No.

18 A. Yeah. So I don't know.

19 Q. You testified that Avon Capital,

20 LLC had an indirect interest. Tell me what

21 you meant by that.

22 A. Avon acquired an interest in the

23 company that holds the underlying policies.

24 Q. What is the company that holds

25 the underlying policies?

1 D. Trudeau

2 A. It's a company called SDM.

3 Q. SDM?

4 A. Uh-huh.

5 Q. Is that the full name of the
6 company?

7 A. That's the full name of the
8 company.

9 Q. And do you know what the SDM
10 stands for?

11 A. I don't.

12 Q. Okay.

13 And where -- who were the
14 principals of SDM?

15 A. I don't know. I mean, it might
16 be Moran's initials -- I think it is, but
17 that might be it.

18 Q. And where is this company
19 located?

20 A. In Oklahoma.

21 Q. And so as I understand your
22 testimony, Avon Capital, LLC has an
23 ownership interest in a company known as
24 SDM, correct?

25 A. That's correct.

1 D. Trudeau

2 Q. Okay.

3 A. Or it had at the time of the
4 purchase.

5 Q. Okay.

6 Do you have any information as to
7 whether Avon Capital, LLC has transferred
8 its interest in SDM?

9 A. I don't know.

10 Q. So as far as you know, Avon
11 Capital, LLC maintains its interest in SDM?

12 A. Yes.

13 Q. Well, do you have any reason to
14 believe it doesn't?

15 A. I don't have any reason to
16 believe otherwise.

17 Q. Okay.

18 And what are the other assets, to
19 your knowledge, other than the policies
20 that underlie the transfers on page 141 of
21 Exhibit 4, what are the other assets of
22 SDM?

23 A. I don't think there are any, but
24 I don't know.

25 Q. Was SDM set up for purposes of

1 D. Trudeau

2 the transactions shown on page 141?

3 A. I don't believe so.

4 Q. Who at Avon Capital, LLC

5 authorized the investment in SDM?

6 A. I believe I signed documents,
7 which initiated the transaction. That's my
8 recollection.

9 Q. The documents you signed, did you
10 sign them on behalf of Avon Capital, LLC?

11 A. I believe so, yes.

12 Q. In what capacity?

13 A. As an authorized representative.
14 I don't know the exact, what it was, but as
15 some authorized --

16 Q. Who authorized you?

17 A. I'm not sure. I think that the
18 development of it was that I began the
19 negotiations to take over SDM and then we
20 tried to enter into a transaction where
21 they financed it, and then instead, we had
22 Avon enter the transaction and take that
23 over as an intermediary to resell them.

24 Then from there, I mean, I don't
25 recall. I mean, I'd go with whatever the

1 D. Trudeau

2 document says.

3 I don't remember if -- I said
4 that I signed for Avon, I'm not certain I
5 did. If I did, I would have had to have
6 had someone with the financial wherewithal
7 to complete the transaction. Again, I'm
8 not certain it was Dan, but I'm going to
9 say, you know, it was Dan.

10 Q. Okay.

11 So as best you can recall,
12 Mr. Carpenter authorized you to enter into
13 the transaction shown on page 141 and make
14 this investment on behalf of Avon Capital,
15 LLC in an entity known as SDM, right?

16 A. I think that's an accurate --

17 Q. Okay.

18 And would I also be correct if I
19 said that Mr. Robinson assisted you in
20 documenting that investment?

21 A. I'm going to say yes, he probably
22 reviewed the transaction, but I think it
23 probably had outside counsel that actually
24 did the transaction.

25 Q. Would that have been Halloran &

1 D. Trudeau

2 Sage?

3 A. No. I believe it was Herrick.

4 Q. Okay.

5 Does SDM have anything to do with
6 any of the Ridgewood entities?

7 A. No.

8 Q. Okay.

9 Have you ever heard of the Paul
10 D. Carter Life Insurance Trust?

11 A. Paul D. Carter. I'm going to say
12 it rings a bell, but I'm not sure.

13 Q. So do you still have Exhibit 4 in
14 front of you? Let's take a look at page
15 150.

16 A. 150?

17 Q. Yep.

18 This is a bank statement for the
19 Avon Capital, LLC account at TD Bank for
20 the month of May 2010.

21 Are you with me?

22 A. Yeah.

23 Q. Okay.

24 The first entry on there is dated
25 May 4th and it's a wire transfer in the